

BUDGET LETTER

NUMBER: 06-15

SUBJECT: 2007-08 SALARIES AND WAGES SPREADSHEET
(AUTHORIZED POSITIONS & COST ESTIMATES)

DATE ISSUED: JULY 28, 2006

REFERENCES: GOVERNMENT CODE SECTION 12439

SUPERSEDES: BL 05-20

TO: Departmental Budget Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

BUDGET OFFICERS ARE REQUESTED TO FORWARD A COPY OF THIS BUDGET LETTER TO DEPARTMENTAL PERSONNEL OFFICERS.

This Budget Letter (BL) provides departments with instructions for preparing the 2007-08 Salaries and Wages Spreadsheet (Schedule 7A).

Note: Prior to the 2006-07 budget development cycle, departmental Budget Officers received a hard copy of the initial Salaries and Wages galley from the Department of Finance (Finance). The 11 X 17 inch initial Salaries and Wages galleys are no longer being provided. Departments must build the 2007-08 Salaries and Wages from the final 2006-07 Salaries and Wages spreadsheets that will be provided electronically by your Finance Budget Analyst.

I. SALARIES AND WAGES SPREADSHEET

Similar to last year, position and salary information is compiled and maintained on an Excel spreadsheet. An electronic copy of the final 2006-07 Salaries and Wages spreadsheet will be distributed to you by your Finance Budget Analyst by mid-August. Departments must reconcile position and salary information, **complete and return the following documents along with all required backup documentation to your Finance Budget Analyst no later than October 16, 2006:**

- Hard copy of the Salaries and Wages spreadsheet
- Hard copy of the signed Personnel Years Systems worksheet
- Electronic version of the Salaries and Wages spreadsheet

II. STATE CONTROLLER REPORTS

The State Controller's Office (SCO) has released the following reports directly to departments:

- Finance Conversion Code Report
- Schedule 8 Report
- Supplementary Schedule 8 Report
- Supplementary Schedule 7A Report
- Abolished Vacant Position Report
- Blanket Balance Position Expenditure Report

All adjustments made to these tabulations must be recorded on the Salaries and Wages spreadsheet in accordance with the guidelines outlined in State Administrative Manual (SAM) Sections 6415, et seq. Attachment A describes the documents used by departments to develop the Salaries and Wages Supplement.

III. SALARIES AND WAGES PREPARATION

Departments must comply with the following instructions:

1. **Career Executive Assignment Positions**—Reflect the salary range for all Career Executive Assignment (C.E.A.) positions as follows: C.E.A. I = \$5,768 - \$7,324; C.E.A. II = \$7,302 - \$8,051; C.E.A. III = \$8,030 - \$8,854; C.E.A. IV = \$8,426 - \$9,287; C.E.A. V = \$8,918 - \$9,830.
2. **Merit Salary Adjustments**—Merit Salary Adjustment (MSA) expenditure projections, except for C.E.A. positions, are included on the Schedule 8. C.E.A. salary levels must be adjusted to reflect the proper levels. The 2006 Budget Act does not include statewide funding for MSAs. Any costs incurred by departments must be absorbed from within existing resources.
3. **Permanent Employees**—Generally, all permanent employees (full-time and part-time) must fill established positions. Permanent positions should not be budgeted in blanket authorizations.
4. **Salary Range**—Include a corresponding salary range for each classification. Within each segment of the Salaries and Wages spreadsheet, sort positions in descending order according to the **minimum salary**.
5. **Partial-Year Authorizations**—Positions that are authorized for less than a full fiscal year must reflect the **net position count** and the **net associated dollars**.
6. **Temporary Help Authorizations**—Display personnel years for all three years, including personnel years for student assistants, seasonal, and other personnel used for temporary purposes. Do not include permanent employees (full-time or part-time) other than permanent intermittent in the Temporary Help authorizations.
7. **Overtime**—Budget overtime as a separate line entry. Do not display personnel years for overtime.
8. **Blanket Authorizations**—Departments no longer need to submit STD. 607s through Finance to establish blankets for payment of temporary help, overtime, etc. The SCO no longer controls expenditures from established blankets to any specified funding level. Each department, however, should establish internal controls and continue to monitor all blanket expenditures to ensure that expenditures do not exceed budgeted funds. The SCO will continue to pay from blankets and submit monthly and year-end blanket expenditure reports to each department.
9. **Reorganizations**—Reorganizations, which are proposed for the 2007-08 Budget, must first be approved by Finance. Upon Finance approval, reflect a condensed version of proposed reorganizations in the Changes in Authorized Positions, not in the Salaries and Wages spreadsheet.

10. Limited-Term Positions—A limited-term position is any position that has been authorized for a specific length of time with a set termination date. List all limited-term positions at the end of the Salaries and Wages presentation in footnote format following the “**Continuously Vacant Positions Abolished by the State Controller per Government Code Section 12439**” display.

11. Continuously Vacant Positions—Chapter 1124, Statutes of 2002, made major changes to Government Code Section 12439 relating to the abolishment of continuously vacant positions. The major changes include:

- The SCO identifies and abolishes positions that are vacant for six consecutive monthly pay periods, irrespective of fiscal years. The rolling six months began July 1, 2002.
- Departments can self-certify reestablishments by August 15 for positions that meet specified conditions during the vacancy period.
- Departments may not execute any personnel transactions for the purpose of circumventing the provisions of the section, e.g., 120 transactions.
- Each department is required to include information discussing its compliance with this section when it prepares its report pursuant to Government Code Section 13405.

On July 1 of each year, the SCO abolishes the continuously vacant position(s). These abolished positions will not appear on the Schedule 8. The SCO generated an initial listing for departments in mid-July. The positions identified for abolishment can be eliminated from the abolishment listing for any SCO technical errors, departmental self-certifications of positions to be exempted from the abolishment, or any Finance authorized reestablishments meeting specified criteria by specified deadlines.

12. Vacant Positions—Budget vacant positions at the first step of the appropriate classification, except for positions within interchangeable classes. Budget vacant positions with interchangeable classes at the minimum step of the: (a) lowest salary range for groups consisting of two classes, (b) middle salary range for groupings which contain an odd number of classes, or (c) lowest salary range of the lowest classification of the two middle classes for groupings which contain an even number of classifications in excess of two.

13. Subtotals—Include the following subtotal lines following the **TOTALS, AUTHORIZED POSITIONS** line (unless positions and dollars for all three years are zero):

- Regular/Ongoing Positions
- Temporary Help
- Overtime

14. Personnel Years System Worksheet—Departments will receive a Personnel Years System Worksheet with your Salaries and Wages spreadsheet. This information will be used to develop Summary Schedule 4 (Personnel Years and Salary Cost Estimates) for the 2007-08 Governor's Budget Summary. Enter the authorized positions and dollar amounts (in thousands) for civil service (including all blankets), statutory, constitutional, and exempt on the worksheet.

It is the department's responsibility (department head or designee) to sign each worksheet to certify that existing positions established on the SCO position roster, as amended by the appropriate department payroll and position documents, reflect the approved program. Certification to the SCO is no longer required (SAM Section 6521).

15. Standard Abbreviations (Attachment B)—Use only the abbreviations in the attached listing.

16. Salary Adjustments—Recent collective bargaining agreements propose a variety of salary adjustments for the majority of state employees, including a general salary increase of 3.5 percent effective July 1, 2006. Funding for these salary changes will be addressed in the forthcoming Employee Compensation Adjustments Budget Letter. Salary adjustments will need to be included in the budget spreadsheets, not the Salaries and Wages spreadsheets.

ALL Salaries and Wages documents must be submitted to your Finance Budget Analyst no later than **October 16, 2006**. Please remember to submit as backup documentation, the Schedule 8 List of Errors (SAM Section 6429) and the Schedule 8 Summary Reconciliation to your Finance Budget Analyst.

If you have any questions regarding this BL, please contact your Finance Budget Analyst.

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager

Attachments

**DOCUMENTS USED IN THE DEVELOPMENT
OF THE SALARIES AND WAGES SUPPLEMENT**

Finance Conversion Code (FCC) Report—The FCC Report and instructions were released to State departments by the State Controller's Office (SCO). Departments were requested to review this report and make all required changes to enable the SCO to update the FCC information. This information is historically used by the SCO to prepare the information contained in the initial Salaries and Wages Schedule 7A galley proofs. However, similar to last year the FCC information will not be incorporated on the initial Salaries and Wages spreadsheets distributed to departments. Departments must incorporate these changes into the spreadsheets.

Schedule 7A Spreadsheet—The Schedule 7A spreadsheet represents a summary listing of all authorized regular/ongoing positions by classification within each reporting unit as of a specified point in time. The initial Schedule 7A spreadsheets display position information authorized as of June 30, 2006.

Supplementary Schedule 7A—This listing provides information on positions and expenditures for which Agency/Reporting Unit Codes were not shown on the FCC Report described above. Departments must add the information on the Supplementary Schedule 7A to the Schedule 7A spreadsheet.

Schedule 8—A listing of approved established regular/ongoing positions with related personnel information, including past year expenditures by class code and estimated expenditures for the current and budget years for each position.

Supplementary Schedule 8—A listing of current year and budget year information on employees for which there are no established positions (by Form 607 action) to continue beyond June 30 of the past year or for those positions with a non-existent class code. Past year expenditures, if any, for these employees are displayed on the Schedule 8.

Personnel Years System Worksheet—A document completed by each department reflecting the total number of civil service, constitutional, statutory, and exempt positions authorized for the current year as reported in the current (2006-07) Salaries and Wages Supplement. The current authorized level is continued into the budget year (2007-08).

The Personnel Years System Worksheet is to be updated and returned to Finance along with the Salaries and Wages spreadsheet. To complete the Personnel Years System Worksheet, the departmental Budget Officers must:

1. Update the authorized levels based on recent constitutional or statutory changes.
2. Report past year personnel years expended based on Schedule 8 reports from the SCO (include all blankets).
3. Insert authorized civil service positions (include all blankets).
4. Add and post position totals.
5. Correct and update "Expenditures" columns (**in thousands**) to correspond with changes for "Personnel-Years" and "Positions." Only dollars are included for overtime.

**DOCUMENTS USED IN THE DEVELOPMENT
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6. The "Totals, Authorized Positions" line (both positions and dollars) must agree with the totals on the completed Salaries and Wages spreadsheet. These totals must also agree with the "Authorized Positions" line in the Expenditures by Category (Summary by Object) and Changes in Authorized Positions in the Budget.
7. Sign each worksheet to certify that the authorized positions reported reflect the approved program.

Abolished Vacant Position Report—A listing of all positions that were vacant for six consecutive monthly pay periods. Beginning July 1, 2002, any state position that is vacant for six consecutive monthly pay periods is to be abolished by the SCO on the following July 1. The six consecutive monthly pay periods may occur entirely within one fiscal year or between two consecutive fiscal years.

Blanket Position Expenditure Report—A listing of established blanket numbers (for overtime, temporary help, seasonal, etc.) with the corresponding dollars and personnel years expended and the remaining balance.

Standard Form 607—Form 607 position documents received by the SCO by June 15 are normally reflected on the SCO's reports.

Schedule 8 Summary Reconciliation—This summary schedule is prepared by departments to reconcile the total authorized number of positions listed in the 2006-07 Governor's Budget as amended by the Legislature's actions and the Governor's vetoes. These amendments are reflected in the Final Change Book. Differences in the number of positions are to be explained with references to documents which support the changes (see SAM Section 6448).

Payroll Certification Notice—Upon completion of the Schedule 8 Summary reconciliation, departments (department head or designee) must sign the Personnel Years System Worksheet to certify that existing positions established on the SCO position roster, as amended by appropriate department payroll and position documents, reflect the approved program. Certification to the SCO is no longer required (see SAM Section 6521).

ABBREVIATIONS USED IN SALARY SCHEDULES

Word Abbreviation
academic aad
academic year acad yr
account(s) acct(s)
accounting acctg
administrative adm
administration admin
advisor advr
affairs affs
agricultural agric
agriculture agri
and &
appointment appt
apprentice appnt
assessment assess
assistant asst
associate assoc
attorney atty
automotive auto
bilingual—bicultural bi/bi
biology biol
board bd
branch br/brch
building bldg
bureau bur
business bus
Dept of Transportation Caltrans
captain capt
career executive appointment .. C.E.A.
center cntr/ctr
certification cert
chemistry chem
clerk clk
compensation comp
conservation cons
construction constr
control cntrl
coordinator coord
corporate corp
corrections corr
correctional corr
county co
criminal crim
curriculum curr/curric
data processing DP
department dept
departmental deptl
deputy dep
determination(s) determ(s)
development dev/developmt
developmental develmtl
disability dis
dispatch disp
district dist
division div
drafting drftg
duplicating dup
economic econ
education ed/educ

Word Abbreviation
electrical elec
electronic data processing EDP
employee and employer emp/emp
employment empt
engineer engr
engineering engrng
environment envirn
environmental envrntl
equal employment opportunity EEO
equipment equipt
evaluation eval
examination exam
executive exec
federal fed
federal fund FF
field fld
general gen
government gov
governmental govtl
handicap hdcap
health hlth
high occupancy vehicle HOV
highway hwy
hospital hosp
hydraulic hyd
hydroelectric hyd
identification id
information info
inheritance inh
inspector insp
institutional instl
instruction inst
instructional instl
insurance ins
intergovernmental intergovtl
intermediate inter
international intntl
junior jr
laboratory lab
leadership ldrshp
legislative legis
level of care LOC
licensing lic
lieutenant lieut
machine mach
maintenance maint
management mgt/mgmt
manager mgr
managerial mgrl
mechanical mech
medical med
member mbr
month mo
mountain mt
nonsupervisory nonsupvry
occupational occ
office ofc
officer off/ofcr

Word Abbreviation
operations ops/oper(s)
operator opr
organization org
personnel pers
pesticide pest
physical phys
planner plnr
planning plan
power pwr
prevention prev
principal prin
processing proc
production prod
professional(s) prof(s)
program(s) pgrm/prog(s)
project proj
property prop
psychiatric psych
public pub
recreation recr
record(s) recd(s)
registration regis
regulatory reg
rehabilitation rehab
reimbursement reimb
representative rep
reproduction reprod
residential res
retirement ret
river rvr
secretary secty
section sec/sect
senior sr
sergeant sgt
service(s) svc(s)
social soc
southern so
specialist spec
standards stds
statistics stat
stenographer steno
subdivision sub
superintendent supt
supervising supvng
supervisor supvr
supervisory supvry
system(s) sys(s)
technical tech
technician techn
technology tech
telecommunication telecomm
television TV
training trng
transportation transp
veterinary vet
vice president VP
vocational voc